

OCT 06 2008

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

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STATE OF NEBRASKA
DEPARTMENT OF INSURANCE,

PETITIONER,

VS.

WASHINGTON NATIONAL
INSURANCE COMPANY,

RESPONDENT.

CAUSE NO. C-1718

CONSENT ORDER

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to statutes that include, but are not limited to: NEB. REV. STAT. §§ 44-101.01, 44-135, and 44-303 ET SEQ.; the Unfair Insurance Claims Settlement Practices Act, NEB. REV. STAT. § 44-1536 ET SEQ.; and 210 NEB. ADMIN. R. & REG. 61. Said jurisdiction and control have been present at all times material hereto.

2. Respondent is an Illinois domiciled insurer licensed to transact the business of insurance under the laws of Nebraska at all times material hereto.

STIPULATION OF FACT

3. On July 22, 2008, the Department of Insurance for the State of Nebraska, ("Department") initiated an administrative proceeding by filing a Petition and Notice of

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NEBRASKA DEPARTMENT
OF INSURANCE

Hearing styled State of Nebraska Department of Insurance vs. Washington National Insurance Company, Cause No. C-1718. A copy of the Petition and Notice of Hearing was served by certified mail, return receipt requested, upon Washington National Insurance Company ("Respondent"), at Respondent's agent for service of process, CSC-Lawyers Incorporating, 1900 First Bank Bldg., 233 S. 13th Street, Lincoln, NE 68508. In order to resolve the allegations contained in the Petition and Notice of Hearing, the Department, by and through its counsels of record, Joel F. Green and Martin W. Swanson, and Respondent, by and through its attorney, N. Renee Gallagher, mutually stipulate and agree as follows:

4. As a result of consumer complaints investigated by the Department, the Department filed a Petition and Notice of Hearing alleging Respondent violated various provisions of the Nebraska Insurance Code and rules and regulations, including but not limited to NEB. REV. STAT. §§ 44-710.03(6), 44-1525(11), 44-1540(1), 44-1540(2), 44-1540(3), 44-1540(4), 44-1540(8) and 210 NEB. ADMIN. R. & REG. 61-006.02, 61-007.01, 61-007.02, 61-008.02, and 61-008.03.

5. In the spirit of cooperation and in order to avoid further expense, loss of time and disruption of Respondent's operations in the state, Respondent enters into this Consent Order freely and voluntarily. Respondent was informed of its right to a public hearing. Respondent waives its right to a hearing and acknowledges that by doing so, Respondent also waives its right to confrontation of witnesses, production of evidence, and judicial review.

6. Respondent denies the allegations set forth in the Petition and Notice of Hearing as referenced in Paragraph 4, but is willing to amicably resolve all pending matters in order to avoid the uncertainty and expense of litigation.

CONCLUSIONS OF LAW

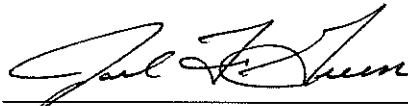
7. Respondent's conduct as alleged constitutes a violation of NEB. REV. STAT. §§ 44-710.03(6), 44-1525(11), 44-1540(1), 44-1540(2), 44-1540(3), 44-1540(4), 44-1540(8) and 210 NEB. ADMIN. R. & REG. 61-006.02, 61-007.01, 61-007.02, 61-008.02, and 61-008.03.

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed by Respondent, Washington National Insurance Company, that Respondent shall pay an administrative fine in the amount of five thousand dollars (\$5,000.00) due within 30 days after the Director of Insurance or her designee approves and signs this consent order. Respondent also agrees to address its claims review and handling process in order to rectify the issues that arose from the substance of the Petition filed in this matter.

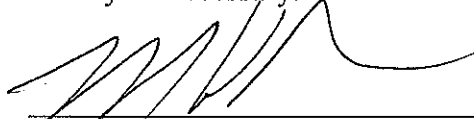
All payments hereunder shall be made on or before thirty (30) days from the date the Director adopts this Consent Order as a final Order in this matter. Furthermore, if Respondent fails to pay the aforementioned administrative fine when due, or fails to

comply with other terms of the Consent Order, the Department shall retain jurisdiction to make application for any such further orders as may be necessary.



Joel F. Green, #22900
Legal Counsel
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Lincoln, NE 68508
(402) 471-2201
FOR PETITIONER

10-2-2008
Date



Martin W. Swanson, #20795
Legal Counsel
941 O Street, Suite 400
Lincoln, NE 68508
(402) 471-2201
FOR PETITIONER

3rd October 2008
Date



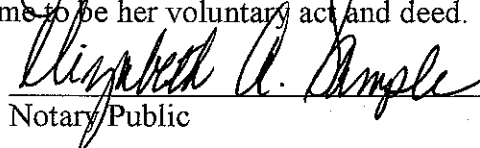
Steven M. Stecher
President
Washington National Insurance Company

STEVEN STECHER
Authorized Representative (Print Name)

9-30-08
Date

State of INDIANA)
County of MARION) ss.

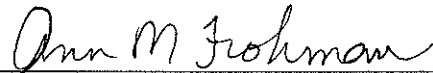
On this 30th day of SEPTEMBER, 2008,
STEVEN STECHER, an authorized representative of Respondent,
personally appeared before me on behalf of Respondent and read this Consent Order,
executed the same and acknowledged the same to be her voluntary act and deed.


Notary Public

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of the State of Nebraska Department of Insurance vs. Washington National Insurance Company, Cause No. C-1718.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



ANN M. FROHMAN
Director of Insurance

10/6/08
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Consent Order was served upon Respondent by mailing a copy to Respondent's agent for service of process, CSC-Lawyers Incorporating, at 1900 First Bank Bldg., 233 S. 13th Street, Lincoln, NE 68508, by certified mail, return receipt requested, on this 6 day of ~~August~~ ^{October}, 2008.

I hereby further certify that an additional copy of the foregoing Consent Order was also provided to Respondent by mailing a copy to Respondent, Attn: Renee Gallagher, 11825 N. Pennsylvania Street, P.O. Box 1911, Carmel, IN 46082-1911 on this 6 day of ~~August~~, 2008.

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